

## ABSTRACT

This invention relates to a trading system and method for use on a global communications network such as the Internet and accessible by anyone with Internet access and an account. More particularly, this invention relates to a system and method for using new trading instruments, namely, a system and method for trading new specialized contracts called **eContracts**, **dContracts** and **oContracts** on an open virtual exchange accessible via the Internet. In one embodiment, the present invention discloses a method of trading asset-based instruments over the Internet, comprising the establishing of a plurality of instruments, each comprising a transferable contract to buy or sell the price of a standardized but nondeliverable quantity of a commodity, security, service or other asset; the establishing of an Internet Web site operated by a data processing and page serving system to operate as a virtual marketplace for the trading of the instruments; the receiving of bids at the Web site sent via the Internet from traders wishing to buy at least one of the instruments at a bid price, and offers at the Web site sent via the Internet from other traders wishing to sell at least one of the instruments at an offer price; and automatically or by private negotiation facilitating, calculating, executing, settling and recording at said Web site a transaction for the purchase and sale of at least one of said instruments when said bid price equals said offer price.